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April 3, 2007

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-B204
Washington, DC 20554

Re: Federal-State Joint Board on Universal Service
CC Docket No. 96-45
WC Docket No. 05-337
WT Docket No. 06-150

Madam Secretary:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, we hereby provide you with notice of an oral ex parte presentations in connection with the above-captioned proceedings.

On Tuesday, March 27, 2007, Jack Rooney, Steve Campbell, and Karen Ehlers, along with undersigned counsel on behalf of U.S. Cellular Corporation ("U.S. Cellular"), met with Commissioner Jonathan Adelstein and Barry Ohlson to discuss the Joint Board's consideration of universal service reform for areas served by rural telephone companies and rules for the upcoming 700 MHz auction.

With respect to universal service, U.S. Cellular reiterated positions previously taken on the record in its previously filed comments. We discussed the possibility of the Joint Board recommending a cap on federal high-cost support distributions to competitive ETCs. We opposed that notion as failing the Commission's core principle of competitively neutrality. We also discussed possible effective short-term reforms including disaggregation of support, making support fully portable, and providing support for areas served by rural ILECs based on a more efficient methodology than the current modified embedded cost system.

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We also discussed reverse auctions. U.S. Cellular opposes reverse auctions which pick a one winner because it results in a single, subsidized, monopoly carrier which must be heavily regulated in order to ensure affordability and high-quality service. That is exactly the problem that the 1996 Act intended to resolve. The better course is to continue to develop efficient mechanisms, including those set forth above, that require carriers to compete for consumers and high-cost support.

With respect to the 700 MHz auction, we reiterated positions the company has previously taken in the record. We discussed the need for additional spectrum to be allocated to smaller market blocks such as Basic Trading Areas or Cellular Market Areas so that carriers devoted to aggressively constructing networks in rural areas have an opportunity to obtain spectrum. U.S. Cellular opposes blind bidding because it raises risk for small carriers and lowers auction bids. The identity of carriers bidding in neighboring markets provides information, such as for example their technology choice, which assists a bidder in properly valuing a market.

If you have any questions or require any additional information, please contact undersigned counsel directly.

Sincerely,



David A. LaFuria

cc: Hon. Jonathan S. Adelstein
Barry Ohlson, Esq.
Mr. John E. Rooney
Mr. Steven T. Campbell
Ms. Karen C. Ehlers